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About the report

Information that is referred to as sustainability reporting is found in various parts of Capio's annual report. This report provides a consolidated summary of Capio's sustainability information. The information covers Capio AB and all subsidiaries in the Capio Group and covers the period from January 1 to December 31, 2017. This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards: Core option.

Sustainability information that constitutes Capio's statutory sustainability report in accordance with the Annual Accounts Acts is found in "Capio's role in society" on pages 52-61 and in the "Sustainability statements" on pages 127-140¹.

This is Capio's first sustainability report and comparable figures are presented when available. Result indicators are generally presented at Group or segment level (Capio Nordic, Capio France, Capio Germany and Other), but broken down further and reported at country or business area level, when applicable. Segment Other relates to the parent company and a number of holding companies. Employee data has been collected at unit level using Capio's Group consolidation system.

The content of the report has been defined by applying the reporting principles of materiality, stakeholder inclusiveness, sustainability context, and completeness. Capio's material sustainability topics were identified and prioritized in a materiality analysis, considering stakeholder input from an online survey with more than 1,000 internal and external respondents, and in an assessment of each topic's impact on Capio's business and society.



¹ Environmental information (pages 61, 137), social conditions and employees (pages 57-60, 134-136), human rights (pages 54-56, 131-133) and anti-corruption and bribery (pages 56, 133).

Capio's sustainability program

Capio's sustainability program

During 2017, a sustainability program for the Capio Group was initiated in order to establish a common structure for initiatives, targets, reporting and follow-up related to Capio's sustainability work. As part of the development of the sustainability program, a stakeholder survey was conducted at the beginning of the year with the aim of identifying relevant sustainability topics across the value chain. The answers formed the basis for a materiality analysis in which the most critical sustainability topics were identified. These topics were included in Capio's sustainability program and grouped into four focus areas: Quality, Business Ethics, Employees and Environment. See page 130 for further details regarding the stakeholder dialog and materiality analysis.

Capio's sustainability program forms the basis for its GRI-reporting. The link between the material topics and the relevant GRI standards and disclosures is presented in the GRI content index on page 139. The impact, context, scope and boundaries for each topic are described in the specific standard disclosures, together with the management approach (page 131–137).

The level of maturity of Capio's management approach varies between the focus areas. For example, for many years there has been a well-developed approach related to Quality for the entire Group, while environmental initiatives have generally been managed at local level. The implementation of a Group-wide management approach has been initiated or refined within all focus areas during the year and this work will continue in 2018.



How we lead and manage our sustainability work

Organization

Capio's Board of Directors is ultimately responsible for Capio's sustainability strategy and focus areas, as defined in Capio's sustainability program. There is also a board committee for medical quality (Capio Medical Committee). The duties and responsibilities of the committee are to monitor medical risk, quality and compliance within the Group, as well as to develop and review appropriate policies and reporting within the medical compliance area.

The responsibility for the realization of Capio's sustainability program is delegated to Capio's President and CEO. This responsibility is further delegated to country managers, business area managers and local managers, in line with the normal delegation of authority. The execution and follow-up of Capio's sustainability program is supported by the specialist functions with a considerable impact on sustainability.

Capio has a medical organization, led by the Group Chief Medical Officer (CMO). There are local CMOs in each unit and in Capio's major business areas. In the employee area, local HR managers have been assigned in each country and in Capio's major business areas. Capio has an Information Security and Data Protection team, led by the Vice President for Information Security, and including Information Security Supervisors and Data Protection Officers from each business area. Furthermore, there are environmental managers in Capio's major business areas. The Group Control and Compliance team is responsible for the coordination of Capio's sustainability reporting across the Group.

Management approach

Capio's overall sustainability goals are defined per focus area (Quality, Business Ethics, Employees and Environment), as presented in the picture to the left. We conduct a number of Group-wide initiatives supporting the management of Capio's sustainability work. These include an annual risk assessment that is carried out throughout the entire operation, covering sustainability topics, and a set of Group policies in which we set our overall standards and expectations for how to run the business. We also conduct management training programs at different levels of the organization based on the Capio Model.

Compliance with Group policies is evaluated through an annual self-assessment process in which all Group functions, business areas and main units participate. Capio's employees in Sweden are guaranteed the freedom to disclose information. Furthermore, Capio has a whistleblower function for anonymous reporting of adverse events.

Sustainability targets are currently set and followed up locally. Targets at Group level will be developed for Capio's material sustainability topics in 2018 as part of the implementation of Capio's sustainability program.

Specific initiatives to manage Capio's material sustainability topics are presented in the topic-specific standard disclosures on pages 131–137.

Group Policies and Guidelines

Capio operates in accordance with applicable laws and regulations in our countries of operation. We have also established a set of Group Policies which all employees must adhere to. Below is a summary of Capio's sustainability related policies.

Capio's Medical Policy is based on the Capio model and sets the principles for our quality work. It underlines the central quality aspects from a patient perspective and describes Capio's approach for measuring healthcare and standardizing care processes.

Capio's Data Privacy Policy provides a framework for processing personal data in compliance with privacy laws and international regulatory standards. It includes guide-lines related to the collection, storage, use, transmission, disclosure and retention of personal and sensitive personal data.

Capio's Information Security Policy describes our information security standards and sets the overall information security requirements within the Group.

Capio's Code of Conduct provides the ethical framework under which Capio operates. It clarifies Capio's position on non-acceptance of bribery and corruption and provides definitions and examples for the area. It also provides information regarding Capio's whistleblower function.

Capio's Human Resources Policy covers all employee-related areas at Capio and outlines responsibilities. It states that we hire and treat all employees equally, fairly and with respect and that we are committed to providing safe and healthy working conditions for all employees.

Capio's Environmental Policy provides guidance on environmental matters and defines Capio's environmental principles. It clarifies Capio's ambition to make responsible and efficient use of resources and continuously reduce the environmental impacts.

Stakeholder dialog and materiality analysis

Stakeholder dialog

Capio defines its stakeholders as parties that may be significantly affected by Capio’s activities or that can significantly affect the ability to achieve Capio’s strategies and objectives. Capio’s main stakeholders are patients, employees and shareholders. Other stakeholder groups include investors, analysts, funders, authorities, suppliers, media and non-governmental organizations. We engage in continuous dialog with our stakeholders to increase our understanding of the internal and external expectations of Capio. This engagement is a mix of periodic dialog and formal initiatives, such as patient and employee satisfaction surveys, seminars and industry events. Key topics and concerns by stakeholder group are presented on page 138.

Stakeholder survey

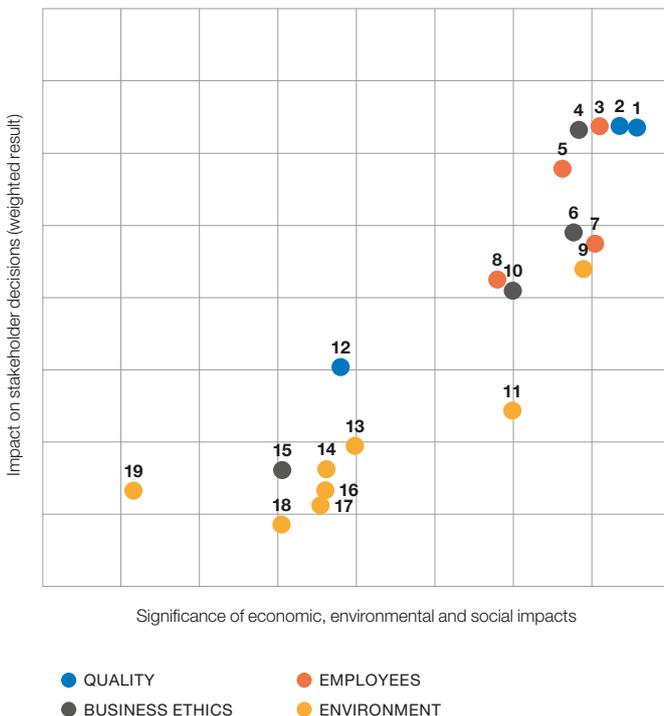
At the beginning of 2017, Capio invited its stakeholders to participate in an online survey in order to specifically assess which sustainability topics are most important for each stakeholder group. The survey was conducted by a third party and stakeholders were asked to rate the importance of a number of sustainability topics on a fixed scale. The survey also included a free text option to identify any additional topics. The topics included in the survey were identified through a review of Capio’s strategic

priorities, previous stakeholder engagement, rules and regulations and peer practices, as well as global and sector-specific standards, and verified by the Group Management. The survey was distributed to a wide range of stakeholders, representing a majority of the stakeholder groups. Stakeholders were selected in order to provide a broad geographical and operational cover. In total, more than 1,000 stakeholders participated in the survey (79 percent internal stakeholders and 21 percent external stakeholders).

Materiality analysis

In order to prioritize which sustainability topics are most important to Capio, a materiality analysis was conducted following the stakeholder survey. The materiality analysis was performed by combining the stakeholder input with an assessment of each topic’s impact on Capio’s business and on society. The impact assessment was performed by representatives from Capio’s Group support functions and the result was verified by Capio’s Group Management. The result of the materiality analysis is presented in the matrix below. The most critical topics identified form the basis for Capio’s sustainability focus areas and sustainability program and are further described on pages 131–137.

Result from Capio’s materiality analysis



Capio’s material sustainability topics

1. Patient satisfaction
2. Patient health and safety
3. Occupational health and safety
4. Patient privacy and information security
5. Skills and availability of skilled staff
6. Anti-corruption
7. Fair employment terms and conditions
8. Diversity and equality
9. Management of toxic chemicals, materials and pharmaceuticals
10. Responsible sourcing and procurement

Other sustainability topics

11. Waste management
12. Quality certification of Capio’s operations
13. Energy use
14. Increased use of sustainable/eco-certified materials/products and services
15. Social responsibility and charity work
16. Greenhouse gas reduction
17. Environment certification of Capio’s operations
18. Water use
19. Reduction of impacts derived from transport

Reporting on Capiro's material sustainability topics



Quality

- Patient satisfaction
- Patient health and safety

Business Ethics

- Patient privacy and information security
- Anti-corruption
- Responsible sourcing and procurement

Employees

- Occupational health and safety
- Skills and availability of skilled staff
- Fair employment terms and conditions
- Diversity and equality

Environment

- Management of toxic chemicals, materials and pharmaceuticals

Patient satisfaction, Patient health and safety

The below description covers both Patient satisfaction and Patient health and safety. Topic boundaries are limited to Capiro Group and its subsidiaries.

Background

For the individual patient, high-quality healthcare facilitates a faster recovery and enhances the healthcare experience. In the bigger picture, improved quality shortens waiting times and supports a working population. Quality also drives productivity, which enables more and better healthcare for the money spent in the system. Patient satisfaction and Patient health and safety are both acknowledgements of high quality and are critical to Capiro's operations.

Failure to meet the patients' quality expectations, applicable care/quality standards or legal and regulatory requirements or patients being injured or killed as a result of the care provided,

could result in mental and/or physical illness among patients and relatives. It could also result in liability for Capiro, or damage to its reputation.

Management approach¹

Capiro strives to improve quality and productivity in healthcare through our strategy of Modern Medicine and Modern Management. In practice, the implementation of Capiro's strategy is achieved through a systematic approach to continuous quality and productivity improvements, the Capiro Model. Furthermore, deviation management systems are in place in all business areas in order to facilitate reporting and follow-up of adverse events.

Patient satisfaction surveys are conducted within all of Capiro's business areas.

Performance indicators are presented below. The results show no indication of any need to adjust the management approach.

See pages 54–55 for further information regarding Capiro's quality work.



Overall patient satisfaction

See page 55 for detailed results of overall patient satisfaction. To summarize, Capiro shows good results in patient satisfaction surveys and performs above national average in a majority of the national third party surveys conducted.

Average length of stay (AVLOS) excluding geriatrics by segment, days

	2017	2016	2015
Capiro Nordic	2.82	2.83	2.93
Capiro France	4.32	4.43	4.60
Capiro Germany	3.99	4.04	4.17
Capiro Group	3.92	4.01	4.15

New treatment methods, new medical techniques and care protocols improve the quality of healthcare and enable patients to make a speedier recovery, which in turn reduces lengths of stay. Shorter stays in hospital have a positive impact on patient health and safety, as the patient's exposure to the hospital environment is reduced. AVLOS is reported and followed up as part of the monthly reporting within Capiro. Adjusted for geriatrics, the AVLOS reduction for the Group was 2.2 percent in 2017 (3.4). Considering the higher case mix in 2017, the AVLOS development was in line with the historical downward trend (3–4 percent).

¹ The management approach description is limited to quality-specific initiatives. General initiatives such as governance structure, Group policies and risk assessments are described on page 129.



Quality

- Patient satisfaction
- Patient health and safety

Business Ethics

- Patient privacy and information security
- Anti-corruption
- Responsible sourcing and procurement

Employees

- Occupational health and safety
- Skills and availability of skilled staff
- Fair employment terms and conditions
- Diversity and equality

Environment

- Management of toxic chemicals, materials and pharmaceuticals

Patient privacy and information security

Patient privacy and information security are of great importance across Capio's entire value chain. Topic boundaries are limited to Capio Group and its subsidiaries and third parties with whom we share patient data.

Background

Capio processes a wide variety of data about its patients and is subject to data protection laws. Patient privacy and information security risk relate to the risk of unauthorized collection, retention, use, disclosure, modification and destruction of patient data. Protecting the personal rights and privacy of each and every individual is the foundation of trust in our patient relationships.

Leaks, thefts, or losses of patient data or non-compliance with relevant data protection laws is a violation of patient integrity and could result in claims, fines and damage to Capio's reputation.

Management approach¹

Capio's information security management system is designed to drive and promote the confidentiality, integrity and availability of our patient data and other information assets. Capio conducts regular, thorough risk assessments of its information security to assess the likelihood of potential threats being realized and the consequences of this. The outputs of the risk assessments performed are verified against the acceptable risk levels within Capio and, where necessary, result in prioritized action plans to mitigate information security risks.

We protect the information assets of Capio and our patients from unauthorized collection, retention, use, disclosure, modification or destruction. This is accomplished through appropriate policies, guidelines, procedures and technical security. Information security provisions and responsibilities are also part of the contracts with third parties with whom we share patient data. We are currently running a Group-wide data protection program to ensure compliance with the EU General Data Protection Regulation that enters into force in May 2018. We also provide e-learning and physical training sessions to our employees in the information security and data privacy area.

Capio has procedures for reporting and monitoring security incidents and complaints relating to information security and data privacy. Compliance with data privacy and information security obligations is further managed by performing control effectiveness assessments and information security audits.

Performance indicators are presented below. The results show no indication of the need for adjusting the management approach.

GRI 418-1: Substantiated complaints concerning breaches of patient privacy and losses of patient data

	2017	2016
a) Total number of substantiated complaints received concerning breaches of patient privacy, categorized by:		
i. complaints received from outside parties and substantiated by the organization;	2	1
ii. complaints from regulatory bodies.	0	0
b) Total number of identified leaks, thefts, or losses of patient data	21	5

A majority of the deviations noted above relate to one single business area, where a number of appointment letters for healthcare examinations were sent to the wrong patient in 2017. Corrective measures have been taken to avoid similar issues in the future.

¹ The management approach description is limited to specific initiatives related to patient privacy and information security. General initiatives such as governance structure and Group policies are described on page 129.



Anti-corruption

Topic boundaries are limited to Capio Group and its subsidiaries. Corruption in the supply chain is addressed as part of the “Responsible sourcing and procurement” topic.

Background

Corruption risks in healthcare mainly relate to the risk of requesting, receiving or accepting a benefit for giving preferential treatment with respect to the procurement, prescription or distribution of pharmaceuticals and medical equipment or the referral of patients.

Active or passive corruption by a Capio employee could have a significant negative impact on Capio’s reputation. Corruption could also have a significant impact on society, with consequences related to misallocation of contracts, purchases and investments, and inequality regarding access and/or quality of treatments.

Management approach¹

Capio has a long-standing position of non-acceptance of bribery and corruption. Our Code of Conduct provides the ethical framework under which Capio operates, including anti-bribery and anti-corruption guidelines. Every manager is responsible for ensuring that employees are informed of the content of Capio’s Code of Conduct and the need for compliance with it.

Code of Conduct training is included as part of the introduction program for new hires in some parts of our operations and as part of the annual review process in other parts of our operations.

Capio’s employees are requested to report violations of the Code of Conduct to their manager for investigation. Capio also has a whistleblower function for anonymous reporting of adverse events.

There have been no confirmed incidents of corruption in Capio during 2017 and there is no indication of any need to adjust the management approach.

GRI 205-3: Confirmed incidents of corruption and actions taken

	2017	2016
a) Total number and nature of confirmed incidents of corruption.	0	0
b) Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	0	0
c) Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	0	0
d) Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	0	0

Responsible sourcing and procurement

Topic boundaries are limited to Capio’s suppliers and subcontractors.

Background

Capio’s suppliers and subcontractors are an extension of our company and we have a responsibility to ensure that they operate in a sustainable manner. This includes applying fair employment terms and conditions, promoting health and safety and anti-corruption and considering environmental impacts.

Management approach¹

Capio currently addresses responsible sourcing in our Code of Conduct. The ethical framework stated in the Code of Conduct is also valid for suppliers. Every manager within Capio has an obligation to ensure that suppliers are informed of the content of the Code of Conduct and the need for compliance with it. Employees are requested to report violations of the Code of Conduct to their manager for investigation.

The ambition is to further develop Capio’s management approach related to responsible sourcing and procurement, and to formalize routines to take responsibility for our supply chain. This work was initiated in 2017 as part of a Group-wide procurement project, and will continue during 2018. The goal is to find practical ways to ensure that sustainability issues are addressed in our supply chain. Areas to consider include processes to identify high-risk suppliers from a sustainability perspective, defining requirements and sustainability criteria, as well as developing tools and performance indicators to evaluate suppliers.

¹ The management approach description is limited to specific initiatives related to anti-corruption and responsible sourcing and procurement. General initiatives such as governance structure, Group policies and risk assessments are further described on page 129.



Quality	Business Ethics	Employees	Environment
<ul style="list-style-type: none"> • Patient satisfaction • Patient health and safety 	<ul style="list-style-type: none"> • Patient privacy and information security • Anti-corruption • Responsible sourcing and procurement 	<ul style="list-style-type: none"> • Occupational health and safety • Skills and availability of skilled staff • Fair employment terms and conditions • Diversity and equality 	<ul style="list-style-type: none"> • Management of toxic chemicals, materials and pharmaceuticals

Occupational health and safety, Skills and availability of skilled staff, Fair employment terms and conditions, Diversity and equality

The below description covers all material sustainability topics within the employee area. Topic boundaries are limited to Capio Group and its subsidiaries. Social aspects in the supply chain are addressed as part of the topic “Responsible sourcing and procurement”.

Background

Capio’s employees are the link to high quality and are key to implementing new methods and making responsible and efficient use of resources. Inability to attract, develop and retain the right individuals could impact medical quality and patient safety and result in difficulties with operating the business efficiently. Employees being hurt or killed at work would not only impact the quality of life of the individual employee and his/her relatives, but could also result in liability for the Group or damage to its reputation. It is critical that Capio provides a good working environment, including a safe workplace, good development opportunities and fair employment terms and conditions.

A good working environment is also of great importance to society, as it supports a working population. The healthcare sector currently suffers from one of the highest levels of sick leave.

Management approach¹

Capio drives Modern Management in a decentralized organization with focus on first-line managers and their teams. We have a governance structure for Human Resources (HR) with clear roles and responsibilities and a HR policy setting the overall principles in the employee area. The HR policy is supplemented with local policies. We engage in various initiatives to support occupational health and safety, fair employment terms, diversity and equality and the development of employees, such as organization of health and safety committees, collective bargaining agreements, individual development plans and management training programs.

Employee surveys are conducted in all segments. Sick-leave and employee turnover is reported as part of the monthly reporting and followed up at local and Group level.

Performance indicators are presented on the following pages. The results show no indication of any need to adjust the management approach.

See pages 57–60 for further information regarding Capio’s employees.



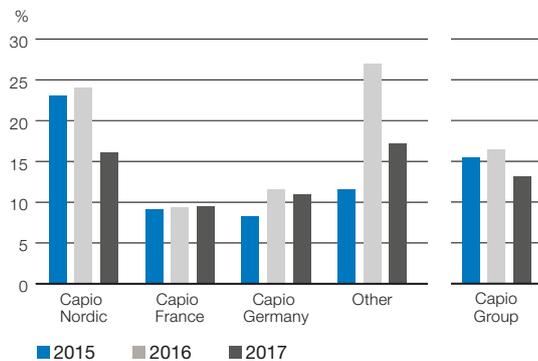
¹ The management approach description is limited to employee-specific initiatives. General initiatives such as governance structure, Group policies and risk assessments are described on page 129.

GRI 403-1: Employees represented by formal joint management – worker health and safety committees

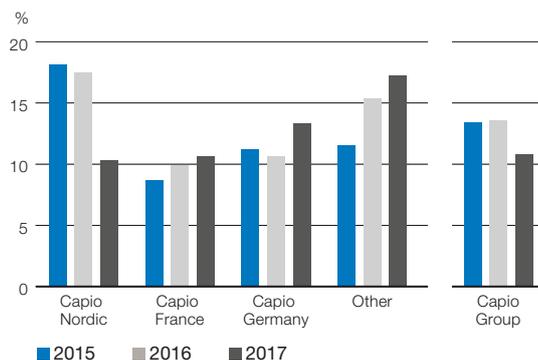
Formal joint management – worker health and safety committees within Capio operate at different levels depending on local requirements. In Capio Sweden, safety committees are established for work places with > 50 employees whereas smaller work places generally have safety representatives instead of safety committees. Capio Norway is organized in two working environment committees and Capio Denmark is organized in one committee, whereas Capio France and Capio Germany have a committee in every hospital.

Percentage of employees represented by formal joint management – worker health and safety committees, per segment

Segment	%
Capio Nordic	62
Capio France	100
Capio Germany	100
Other	0
Capio Group	81


GRI 401-1: New employee hires and employee turnover
New employee hires¹, %

Total number and rate of new employee hires during the reporting period by age group, gender and segment¹

Category	Capio Nordic		Capio France		Capio Germany		Other		Capio Group	
	Individuals	Rate	Individuals	Rate	Individuals	Rate	Individuals	Rate	Individuals	Rate
Men	187	11.8%	97	10.8%	48	12.2%	2	18.2%	334	11.6%
Women	1,005	17.3%	416	9.2%	127	10.6%	3	16.7%	1,551	13.4%
Under 30 years old	198	21.9%	227	19.5%	42	18.3%	1	50.0%	468	20.3%
30–50 years old	685	19.4%	233	9.1%	90	13.3%	4	21.1%	1,012	14.9%
Over 50 years old	309	10.4%	53	3.2%	43	6.3%	0	0.0%	405	7.6%
Total	1,192	16.1%	513	9.5%	175	11.0%	5	17.2%	1,885	13.1%

Employee turnover¹, %

Total number and rate of employee turnover during the reporting period by age group, gender and segment¹

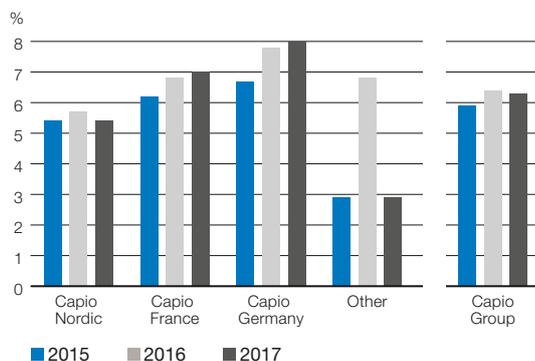
Category	Capio Nordic		Capio France		Capio Germany		Other		Capio Group	
	Individuals	Rate	Individuals	Rate	Individuals	Rate	Individuals	Rate	Individuals	Rate
Men	132	8.3%	93	10.3%	44	11.2%	0	0.0%	269	9.3%
Women	634	10.9%	479	10.6%	168	14.0%	5	27.8%	1,286	11.1%
Under 30 years old	100	11.1%	152	13.1%	39	17.0%	1	50.0%	292	12.7%
30–50 years old	400	11.3%	267	10.4%	91	13.4%	3	15.8%	761	11.2%
Over 50 years old	266	8.9%	153	9.1%	82	12.0%	1	12.5%	502	9.4%
Total	766	10.3%	572	10.6%	212	13.3%	5	17.2%	1,555	10.8%

¹ See page 126 for definitions.



Sick leave

Sick leave^{1,2}, %



Total number of sick days and rate of sick leave during the reporting period by age group, gender and segment¹

Category	Capio Nordic		Capio France		Capio Germany		Other		Capio Group	
	Days	Rate	Days	Rate	Days	Rate	Days	Rate	Days	Rate
Men	8,320	2.5%	9,929	4.3%	4,409	5.7%	1	0.1%	22,659	3.5%
Women	76,384	6.3%	89,121	7.6%	20,779	8.8%	220	4.7%	186,504	7.1%
Under 30 years old	7,176	3.8%	11,720	3.9%	2,749	6.1%	2	0.4%	21,647	4.0%
30–50 years old	39,005	5.3%	48,409	7.2%	9,289	6.9%	62	1.3%	96,765	6.3%
Over 50 years old	38,523	6.2%	38,921	8.9%	13,150	9.8%	157	15.1%	90,751	7.6%
Total	84,704	5.5%	99,050	7.0%	25,188	8.0%	221	2.9%	209,163	6.4%

GRI 404-2: Programs for upgrading employee skills and transition assistance programs

Managers and employees within Capio work with individual development plans to ensure that all employees have the appropriate skills and tools required to perform their job in the best possible way. This includes e.g. the assessment of internal/external training requirements and individual performance goals. Achievements are summarized in an annual review. Practical and theoretical management training programs are also conducted at different levels of the organization based on the Capio Model. In 2017, > 150 managers and key employees participated in Capio's management programs. Since 2009, the programs have had around 1,100 participants.

Transition assistance programs for employees who have been terminated or are transitioning to new roles are mainly developed on an individual basis at local level. Employees in Capio's Swedish entities who are affiliated to TRR (Trygghetsrådet) have access to external coaching in the event of redundancy and outplacement.

GRI 405-1: Diversity of governance bodies and employees

Composition of governance bodies and breakdown of employees during the reporting period, %

	Men	Women	Under 30 years old	30–50 years old	Over 50 years old
Board of Directors	62	38	0	0	100
Group Management	83	17	0	17	83
Managers ³	30	70	–	–	–
Employees	20	80	16	47	37

¹ See page 126 for definitions.

² Excluding Capio Denmark. Information about sick leave is unavailable for Capio Denmark but will be reported from 2018.

³ Information about age group is unavailable for managers but will be reported from 2018.



Quality

- Patient satisfaction
- Patient health and safety

Business Ethics

- Patient privacy and information security
- Anti-corruption
- Responsible sourcing and procurement

Employees

- Occupational health and safety
- Skills and availability of skilled staff
- Fair employment terms and conditions
- Diversity and equality

Environment

- Management of toxic chemicals, materials and pharmaceuticals

Management of toxic chemicals, materials and pharmaceuticals

Topic boundaries are limited to Capio Group and its subsidiaries and patients to whom we prescribe pharmaceuticals.

Background

Chemicals, materials and pharmaceuticals used in healthcare could cause environmental damage or affect the health of patients and employees. Impacts are caused either directly by the Capio Group and its subsidiaries or indirectly by Capio's patients.

Management approach¹

Capio's Environmental Policy forms the basis for managing environmental topics across the Group. Capio's ambition is to reduce the use of toxic chemicals and materials in our operations and to limit pharmaceutical residues that occur in nature. Overall, the work to achieve this can be summarized in four main points:

- Replacing environmentally hazardous pharmaceuticals, chemicals, materials and other substances with better alternatives
- Avoiding prescription of large packs of pharmaceuticals for occasional medication
- Training employees in the environmental impacts of pharmaceuticals
- Informing patients of the environmental impacts of pharmaceuticals and facilitating the handing-in of obsolete pharmaceuticals to pharmacies

The implementation of Capio's environmental principles is managed and followed up locally. Performance indicators and targets are defined and reported at business area level. The ambition for 2018 is to establish a common way to follow-up and evaluate the management of toxic chemicals, materials and pharmaceuticals at Group level.

See page 61 for further information regarding Capio's environmental work.



¹ The management approach description is limited to specific initiatives related to management of toxic chemicals, materials and pharmaceuticals. General initiatives such as governance structure, Group policies and risk assessments are further described on page 129.

General disclosures

The GRI index on page 139 includes references to the general disclosures required by GRI. Below is a summary of the general disclosures which cannot be found in other parts of the Annual Report.

GRI 102-8: Information on employees

FTEs	Permanent employees		Temporary employees		Full-time employees		Part-time employees	
	Men	Women	Men	Women	Men	Women	Men	Women
Capio Nordic	1,131	4,605	107	322	965	3,270	274	1,656
Capio France	980	3,477	263	708	1,158	3,498	120	652
Capio Germany	231	796	59	122	229	421	61	497
Other	11	18	0	0	10	17	1	1
Capio Group	2,353	8,896	429	1,152	2,362	7,206	456	2,806

Data has been reported and compiled in Capio's Group consolidation system. There are no significant variations in the numbers reported, such as e.g. seasonal variations. In 2017, 96% of Capio's employees were directly employed and 88% of the employed employees were permanently employed.

GRI 102-9: Supply chain

Products and services are mainly purchased locally on each market. The total annual spend of material and services costs for the Capio Group amounted to MSEK 2,905 in 2017, corresponding to approximately 19% of the Group's net sales. Material and services mainly relate to pharmaceuticals, lab, radiology and other material costs such as knee and hip implants, cardiology devices and other consumables. Capio's suppliers are mainly large international companies with production facilities around the world. To exemplify, the top 10 suppliers of other material make up approximately half of the total spend on other material.

GRI 102-10: Significant changes to the organization and its supply chain

No significant changes in the reporting.

GRI 102-11: Precautionary approach

Capio applies a precautionary approach when it comes to reducing or avoiding negative impacts on the environment. This is further described on page 61.

GRI 102-12: External initiatives

Capio supports the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the International Labor Organization's (ILO's) conventions for the protection of fundamental human rights. With only a few, minor exceptions, all of Capio's Nordic operations are certified according to ISO 14001 environmental management standards.

GRI 102-13: Membership of associations

Capio is a member of several organizations in order to contribute to the development of healthcare. For instance, we are members of "Agenda for health and prosperity" which is a collaboration between Research!Sweden and a number of organizations, working to improve the environment for performing life science, research, innovation and healthcare. Capio is also a partner to the "Healthcare Leadership Academy", which is an initiative to strengthen staff in leadership roles in healthcare and research.

GRI 102-41: Collective bargaining agreements

90% of Capio's employees are covered by collective bargaining agreements. The percentage is calculated on the basis of the total number of employees (individuals).

GRI 102-40/43/44: List of stakeholder groups/Approach to stakeholder engagement/Key topics and concerns raised

Stakeholder group	Approach to stakeholder engagement ¹	Key topics and concerns ²
Patients	Regular patient satisfaction surveys Stakeholder survey (sustainability related)	Patient satisfaction Skills and availability of staff Health and safety
Employees and employee representatives	Regular employee surveys Stakeholder survey (sustainability related)	Health and safety Patient satisfaction Skills and availability of staff
Shareholders, investors and analysts	Interim reports and roadshows Annual General Meeting Stakeholder survey (sustainability related)	Patient privacy Patient satisfaction Health and safety Management of toxic chemicals, materials and pharmaceuticals
Funders and authorities	Stakeholder survey (sustainability related)	Anti-corruption Patient satisfaction Patient privacy Health and safety
Suppliers	Stakeholder survey (sustainability related)	Health and safety Patient satisfaction Patient privacy
Media	Active participation in the public debate Transparent reporting (annual report, webpages etc)	Health and safety Patient satisfaction, including accessibility Skills and availability of staff
NGOs	Stakeholder survey (sustainability related)	Health and safety Patient satisfaction Patient privacy Skills and availability of staff

¹ Stakeholder engagement is a mix of periodic dialogs and formal initiatives. The main formal initiatives per stakeholder group are listed in the table above.

² All key topics and concerns raised are identified as Capio's material sustainability topics and included in the scope of Capio's GRI reporting.

GRI content index

GRI Standard	Disclosure	Page reference ¹	Omission/comment
GENERAL DISCLOSURES			
GRI 102: General Disclosures 2016	102-1 Name of the organization	65	
	102-2 Activities, brands, products, and services	Inside front cover, 34–49	
	102-3 Location of headquarters	108	
	102-4 Location of operations	155–157	
	102-5 Ownership and legal form	108	
	102-6 Markets served	Inside front cover, 34–49	
	102-7 Scale of the organization	5, 74–80	
	102-8 Information on employees and other workers	138	
	102-9 Supply chain	138	
	102-10 Significant changes to the organization and its supply chain	138	
	102-11 Precautionary Principle or approach	138	
	102-12 External initiatives	138	
	102-13 Membership of associations	138	
	102-14 Statement from senior decision-maker	52	
	102-16 Values, principles, standards, and norms of behavior	56	
	102-18 Governance structure	129, 143	
	102-40 List of stakeholder groups	138	
	102-41 Collective bargaining agreements	138	
	102-42 Identifying and selecting stakeholders	130	
	102-43 Approach to stakeholder engagement	138	
	102-44 Key topics and concerns raised	138	
	102-45 Entities included in the consolidated financial statements	119–121, 127	
	102-46 Defining report content and topic boundaries	127, 130	
	102-47 List of material topics	130	
	102-48 Restatements of information	–	This is Capio's first report.
	102-49 Changes in reporting	–	This is Capio's first report.
	102-50 Reporting period	127	
	102-51 Date of most recent report	–	This is Capio's first report.
102-52 Reporting cycle	–	Annually going forward.	
102-53 Contact point for questions regarding the report	155		
102-54 Claims of reporting in accordance with the GRI Standards	127		
102-55 GRI content index	139–140		
102-56 External assurance	–	This report has not been externally assured.	
MATERIAL TOPICS			
QUALITY			
Patient satisfaction			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	131	
	103-2 The management approach and its components	54–55, 129, 131	
	103-3 Evaluation of the management approach	131	
Not applicable	Overall patient satisfaction	55, 131	
Patient health and safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	131	
	103-2 The management approach and its components	54–55, 129, 131	
	103-3 Evaluation of the management approach	131	
Not applicable	Average length of stay (AVLOS)	131	
BUSINESS ETHICS			
Patient privacy and information security			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	132	
	103-2 The management approach and its components	129, 132	
	103-3 Evaluation of the management approach	132	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	132	
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	133	
	103-2 The management approach and its components	56, 129, 133	
	103-3 Evaluation of the management approach	133	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	133	

¹ All page references refer to Capio's annual report 2017.

GRI Standard	Disclosure	Page reference ¹	Omission/comment
Responsible sourcing and procurement			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	133	
	103-2 The management approach and its components	129, 133	
	103-3 Evaluation of the management approach	133	
EMPLOYEES			
Occupational health and safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	134	
	103-2 The management approach and its components	57-60, 129, 134	
	103-3 Evaluation of the management approach	134	
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management–worker health and safety committees	134	Information is unavailable for workers who are not employed by Capio.
Not applicable	Sick leave	136	Information about sick leave is unavailable for Capio Denmark but will be reported from 2018.
Skills and availability of skilled staff			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	134	
	103-2 The management approach and its components	57-60, 129, 134	
	103-3 Evaluation of the management approach	134	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	136	
Fair employment terms and conditions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	134	
	103-2 The management approach and its components	57-60, 129, 134	
	103-3 Evaluation of the management approach	134	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	135	
Diversity and equality			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	134	
	103-2 The management approach and its components	56-60, 129, 134	
	103-3 Evaluation of the management approach	134	
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	136	There are specific legal prohibitions related to collecting data on minority groups why this is not reported. Information about age group is unavailable for managers but will be reported from 2018.
ENVIRONMENT			
Management of toxic chemicals, materials and pharmaceuticals			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	137	
	103-2 The management approach and its components	129, 137	
	103-3 Evaluation of the management approach	137	

Capio's statutory sustainability report has been reviewed by the Group's external auditors. Sustainability information that constitutes Capio's statutory sustainability report is found in "Capio's role in society" on pages 52-61 and in the "Sustainability statements" on pages 127-140. More information regarding Capio's statutory sustainability report and references to the required information is found on page 127.

This is the translation of the auditor's report in Swedish.

Auditor's report on the statutory sustainability report

To the general meeting of Capio AB (publ), corporate, identity number 556706-4448

Engagement and responsibility

The Board of Directors is responsible for that the statutory sustainability report included on pages 52-61 and 127-140 has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the statutory sustainability report has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's report on the statutory sustainability report. This means that our examination of

the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 16 March 2018

Ernst & Young AB

Mikael Sjölander
Authorized Public Accountant